

Message Text

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C O N F I D E N T I A L STATE 041704

E.O. 11652: GDS

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SUBJECT: KENYAN ARMS ASSISTANCE DELEGATION

REFERENCE: STATE 040294; NAIROBI 1723

1. SUMMARY: KENYAN DELEGATION HAD THREE FULL DAYS OF DISCUSSIONS WITH PERTINENT STATE,DEFENSE AND TREASURY OFFICIALS. KENYANS SEEMED PLEASED WITH RESULTS. AT FINAL SESSION DELEGATION LEADER KIEREINI THANKED U.S. OFFICIALS FOR WARM RECEPTION AND UNDERSTANDING OF GOK'S SITUATION. DELEGATION WAS ENCOURAGED BY OFFER OF DOLS 45 MILLION FMS CREDITS FOR PERIOD FY 1975-79, BUT NOTED GOK MIGHT SEEK LARGER AMOUNT IN FUTURE. DELEGATION INDICATED FIRST PREFERENCE WAS TO USE MONEY FOR F-5E AIRCRAFT, BUT DELAYED FINAL DECISION PENDING FURTHER CONSIDERATION UPON RETURN TO NAIROBI. USG INFORMED KENYANS THAT TERMS FOR FY 1976
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FMS CREDITS WOULD BE TWO-YEAR GRACE PERIOD, FOLLOWED BY EIGHT-YEAR REPAYMENT PERIOD, WHICH MAXIMUM TERMS THAT COULD BE GRANTED. WHILE ACCEPTING U.S. DECISION NOT TO OFFER KENYA ATTACK AIRCRAFT, DELEGATION INDICATED KENYA MIGHT RENEW REQUEST FOR THIS AIRCRAFT IN FUTURE. END SUMMARY.

2. FROM STANDPOINT BOTH SIDES DISCUSSIONS WENT WELL. TALKS CHARACTERIZED THROUGHOUT BY UNDERSTANDING OF EACH OTHER'S PROBLEMS AND GOOD WILL.

3. FOLLOWING DELEGATION'S MEETING WITH SISCO FEBRUARY 17 (REPORTED REFTEL) AND LUNCH HOSTED BY ASSISTANT SECRETARY SCHAUFELLE, DELEGATION MET WITH TREASURY PERSONNEL. KENYANS PRESENTED WELL-ORGANIZED AND PERSUASIVE PICTURE OF KENYA'S FINANCIAL POSITION, EXPLAINING WHY IT WAS IMPORTANT FOR KENYA TO RECEIVE BEST TERMS POSSIBLE. TREASURY EXPLAINED GUIDELINES UNDER WHICH FMS CREDITS COULD BE OFFERED AND AGREED TO GIVE FULL CONSIDERATION TO KENYA'S SITUATION IN DECIDING FINAL TERMS.

4. IN AFTERNOON SESSION CHAIRED BY TOM STERN, DEPUTY DIRECTOR, PM, KENYANS EXPRESSED THEIR INTEREST IN F-5E AIRCRAFT. THEY INQUIRED RE POSSIBILITY OF OBTAINING F-5E SOONER THAN WAITING FOR PRODUCTION (WHICH TAKES 24 MONTHS). IT WAS EXPLAINED THAT USG CANNOT TAKE F-5E'S FROM ITS OWN INVENTORY OR SHIFT F-5E'S FROM ANOTHER COUNTRY'S ORDER. WE MADE POINT, HOWEVER, THAT 24-MONTH LEAD TIME NECESSARY FOR TRAINING NEEDED PERSONNEL AND TO PRODUCE RELATED GROUND EQUIPMENT. KENYANS ALSO INFORMED THAT US WILL NOT OFFER ATTACK AIRCRAFT (EITHER A-4 OR A-37) TO KENYA BECAUSE OF CONGRESSIONAL PROBLEMS SUCH AN OFFER WOULD RAISE, FACT IT IS AN OFFENSIVE WEAPON AND FACT US HAS NEVER SOLD ATTACK AIRCRAFT TO AFRICAN COUNTRY. DELEGATION WAS ALSO TOLD THAT BECAUSE M-60 TANK WILL NOT BE AVAILABLE FOR MANY YEARS (DU TO BACKLOG OF ORDERS), US WOULD NOT OFFER IT TO KENYA AT PRESENT.

5. DISCUSSIONS WITH DOD TOOK PLACE FEB. 18-19. INITIAL MEETINGS WERE WITH JAMES NOYES, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR NEAR EAST, SOUTH ASIA AND AFRI-
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CA, INTERNATIONAL SECURITY AFFAIRS AND WITH LT. GENERAL HOWARD FISH, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY. DISCUSSION WITH NOYES CONCENTRATED ON THREATS FACING KENYA, PRIMARILY FROM SOMALIA, BUT ALSO FROM UGANDA, PARTICULARLY CONSIDERING AMIN'S RECENTLY VOICED CLAIM TO KENYAN TERRITORY. DELEGATION PRESENTED ITS CASE WELL, CONCLUDING WITH THE OBSERVATION THAT KENYA WILL MOST

LIKELY CONTINUE TO REQUEST ASSISTANCE FROM U.S.; THAT THE BEGINNING IS VERY PROMISING, BUT THAT KENYA WILL NEED A GREAT DEAL MORE HELP IF IT IS TO HAVE CREDIBLE DETERRENT. DELEGATION ALSO STATED THAT KENYA NEEDED A-4 AS WELL AS F-5E TO MEET THE THREAT POSED. RE HELICOPTERS, KENYA WAS NOW MORE INTERESTED IN UTILITY AND OBSERVATION HELICOPTERS THAN IN TRANSPORT HELICOPTERS INDICATED ON "SHOPPING LIST".

6. IN MEETING WITH LT. GEN. FISH, DELEGATION INDICATED THAT F-5E AIRCRAFT WERE ITS TOP PRIORITY, FOLLOWED BY

OBSERVATION AND UTILITY HELICOPTERS AND C-130 TRANSPORT PLANES IN THAT ORDER. LUNCHEON ON SECOND DAY HOSTED BY LT. GEN. FISH.

7. AFTER LUNCH DELEGATION MET WITH DEFENSE SECURITY ASSISTANCE AGENCY PERSONNEL FOR COMPREHENSIVE DISCUSSION OF THE ADMINISTRATION OF FOREIGN MILITARY SALES PROGRAM. KENYAN LIABILITY REGARDING EQUIPMENT PROCURED UNDER U.S. FOREIGN MILITARY SALES ACT WAS EMPHASIZED SO THERE WOULD BE NO SURPRISES LATER ON. FOR EXAMPLE,

FOREIGN GOVERNMENT IS LIABLE FOR ANY DAMAGE DURING TESTING.

8. DISCUSSIONS IN FINAL DAY (FEB. 19) CONCENTRATED ON BRIEFINGS BY QUALIFIED DOD PERSONNEL ON ALL TYPES OF EQUIPMENT IN WHICH GOK INTERESTED WITH EXCEPTION A-4 ATTACK AIRCRAFT. SUCH ASPECTS AS DETAILS OF PERFORMANCE, MAINTENANCE, PRICE, AVAILABILITY AND TRAINING COVERED IN FULL.

9. KENYAN CHARGE HOSTED LUNCHEON FEB. 19. UNDER CONFIDENTIAL

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SECRETARY SISCO, IN INFORMAL REMARKS TO GROUP, STATED THAT TALKS WERE USEFUL IN TWO WAYS: 1) TO GET ON WITH SPECIFIC PROGRAM AND 2) TO PROVIDE US WITH FIRST-HAND ASSESSMENT OF RECENT DEVELOPMENTS IN AFRICA AND THEIR IMPLICATIONS. RECENT EVENTS IN AFRICA HAVE LED TO BETTER UNDERSTANDING WITHIN US OF AFRICA AND ITS IMPORTANCE; IF LONG-RANGE VIEW CAN BE TAKEN, THERE IS NO REASON TO DESPAIR OVER FUTURE. SISCO EXPRESSED HOPE THAT SECRETARY WILL VISIT AFRICA AND SAID THAT BOTH THE SECRETARY AND THE PRESIDENT HAVE FOLLOWED TALKS ON MILITARY ASSISTANCE TO KENYA. DELEGATION HAS STRENGTHENED TIES AND PARALLELISM OF INTERESTS BETWEEN KENYA AND US AND HAS DONE GOOD JOB OF EDUCATING US OFFICIALS.

10. FINAL EVENT ON PROGRAM WAS WRAP-UP SESSION AT DEPARTMENT. AT THIS MEETING TREASURY REPRESENTATIVE STATED THAT IT, WITH CONCURRENCE OF STATE AND DOD, WAS PREPARED TO OFFER 10-YEAR TERM (INCLUDING 2-YEAR GRACE PERIOD) FOR FY 1976 FMS CREDITS. THIS WAS MAXIMUM WHICH COULD BE OFFERED. HE HOPED THAT IN FUTURE YEARS TERMS WOULD BE CLOSER TO 7 1/2 YEAR MATURITY. DELEGATION ACCEPTED FY 1976 TERMS. DELEGATION WAS REMINDED THAT US HAD TO OBTAIN CONGRESSIONAL APPROVAL EACH YEAR FOR THAT YEAR'S FMS CREDITS. THERE WAS NO CERTAINTY, THEREFORE, THAT AMOUNTS WOULD REMAIN AS PROGRAMMED, THEY COULD INCREASE OR DECREASE. NEVERTHELESS USG WAS REASONABLY HOPEFUL THAT AN AMOUNT OF DOLS 45 MILLION WOULD BE AVAILABLE FOR KENYAN PROGRAM. DELEGATION REITERATED ITS FIRST PRIORITY STILL F-5E AIRCRAFT, BUT PROBLEM REMAINED HOW TO COVER GAP BETWEEN COST OF FULL SQUADRON (10 F-5E, 2 F-5F COST APPROXIMATELY DOLS 62 MILLION) AND DOLS 45 MILLION OFFERED BY US. HAS CONSIDERED ORDERING FEWER AIRCRAFT, BUT EVEN TO ACQUIRE MINIMUM NUMBER OF 6 F-5E AND 2 F-5F, COST REMAINS OVER DOLS 45 MILLION. (SPARES, GROUND EQUIPMENT COSTS DO NOT DECREASE WITH FEWER NUMBER OF AIRCRAFT.) IN RESPONSE TO SUGGESTION THAT KENYA MIGHT CONSIDER COMMERCIAL BORROWING TO COVER DIFFERENCE, DELEGATION STATED IT DID NOT WANT TO GO THAT ROUTE FOR MILITARY EQUIPMENT.

11. STERN SUGGESTED THAT KENYA ACCEPT DOLS 45 MILLION
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OFFERED AND LET EMBASSY NAIROBI KNOW SOONEST EQUIPMENT IT WISHED TO ACQUIRE FROM US. WE MUST HAVE DECISION BY MAY 1, SINCE THAT IS LATEST DATE TRAINING CAN BE PROGRAMMED USING FY 1976 FUNDS. IT WAS POINTED OUT THAT DOLS 5 MILLION FMS CREDITS FROM FY 1975 WOULD BE AVAILABLE UNTIL DECEMBER 31, 1976 AND THAT DOLS 10 MILLION FY 1976 CREDITS WOULD PROBABLY BE AVAILABLE FOR ONE YEAR FROM DATE OF SIGNATURE. DRAWDOWN OF CREDITS WOULD BE WORKED OUT TO COINCIDE WITH PROGRESS PAYMENTS NECESSARY ON EQUIPMENT.

12. KIEREINI CONCLUDED DISCUSSION BY SAYING DELEGATION WAS HEARTENED BY WAY KENYA'S CASE WAS UNDERSTOOD; HE WISHED TO REEMPHASIZE THAT KENYA DID NOT WANT ARMS FOR PRESTIGE, BUT OUT OF NECESSITY. DELEGATION KNEW THERE WOULD BE DIFFICULT PROBLEMS TO RESOLVE. NEVERTHELESS KENYA WAS CERTAIN IT WOULD BE HELPED BY ITS FRIENDS TO MEET ITS NEEDS.

13. COMMENT: GOK SHOULD BE ENCOURAGED TO SUBMIT ITS REQUEST (S) AS SOON AS POSSIBLE FOLLOWING DELEGATION'S

RETURN, SO THAT LETTER(S) OF OFFER MAY BE PREPARED
(GENERALLY TAKES 60 TO 90 DAYS TO DO THIS) AND SIGNED
IN ORDER THAT PRODUCTION OF AIRCRAFT MAY BEGIN. INGERSOLL
UNQUOTE KISSINGER

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